

COLE SCHOTZ P.C.

Michael D. Sirota, Esq. (NJ Bar No. 014321986)
Warren A. Usatine, Esq. (NJ Bar No. 025881995)
Court Plaza North, 25 Main Street
Hackensack, New Jersey 07601
(201) 489-3000
msirota@coleschotz.com
wusatine@coleschotz.com

KIRKLAND & ELLIS LLP

KIRKLAND & ELLIS INTERNATIONAL LLP

Joshua A. Sussberg, P.C. (admitted *pro hac vice*)
Christine A. Okike, P.C. (admitted *pro hac vice*)
601 Lexington Avenue
New York, New York 10022
(212) 446-4800
jsussberg@kirkland.com
christine.okike@kirkland.com

*Proposed Attorneys for Debtors and
Debtors in Possession*

HAYNES AND BOONE, LLP

Richard S. Kanowitz, Esq. (NJ Bar No. 047911992)
Kenric D. Kattner, Esq. (admitted *pro hac vice*)
30 Rockefeller Plaza, 26th Floor
New York, New York 10112
(212) 659-7300
richard.kanowitz@haynesboone.com
kenric.kattner@haynesboone.com

*Proposed Attorneys for Debtors and
Debtors in Possession*

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY**

In re:

BLOCKFI INC., *et al.*,

Debtors.¹

Chapter 11

Case No. 22-19361 (MBK)

(Jointly Administered)

**NOTICE OF FILING OF REVISED
PROPOSED ORDER APPROVING THE DEBTORS' RETENTION PROGRAMS**

PLEASE TAKE NOTICE that on November 28, 2022, the above-captioned debtors and debtors in possession (collectively, the "Debtors") filed the *Debtors' Motion for Entry of an Order (I) Approving the Debtors' Retention Programs and (II) Granting Related Relief* [Docket No. 21] (the "Motion").

¹ The Debtors in these Chapter 11 Cases, along with the last four digits of each Debtor's federal tax identification number, are: BlockFi Inc. (0015); BlockFi Trading LLC (2487); BlockFi Lending LLC (5017); BlockFi Wallet LLC (3231); BlockFi Ventures LLC (9937); BlockFi International Ltd. (N/A); BlockFi Investment Products LLC (2422); BlockFi Services, Inc. (5965); and BlockFi Lending II LLC (0154). The location of the Debtors' service address is 201 Montgomery Street, Suite 263, Jersey City, NJ 07302.

PLEASE TAKE FURTHER NOTICE that on January 10, 2023, the United States Trustee for the District of New Jersey (the “U.S. Trustee”) filed *Objection of the United States Trustee to Debtors’ Motion for Entry of an Order (I) Approving the Debtors’ Retention Programs and (II) Granting Related Relief* [Docket No. 231] (the “U.S. Trustee Objection”).

PLEASE TAKE FURTHER NOTICE that on January 13, 2023, the official committee of unsecured creditors (the “Committee”) filed *The Official Committee of Unsecured Creditors’ Objection Regarding Debtors’ Motion for Entry of an Order (I) Approving the Debtors’ Retention Programs and (II) Granting Related Relief* [Docket No. 280] (the “Committee’s Initial Objection”).

PLEASE TAKE FURTHER NOTICE that on January 17, 2023, the Committee filed the *Official Committee of Unsecured Creditors’ Supplemental Objection to Debtors’ Motion for Entry of an Order (I) Approving the Debtors’ Retention Programs and (II) Granting Related Relief* [Docket No. 310] (the “Committee’s Supplemental Objection,” and, together with the Committee’s Initial Objection, the “Committee’s Objections”).

PLEASE TAKE FURTHER NOTICE that on January 25, 2023, the Debtors and the Committee resolved the Committee’s Objection.

PLEASE TAKE FURTHER NOTICE that on January 26, 2023, the U.S. Trustee withdrew the U.S. Trustee Objection.

PLEASE TAKE FURTHER NOTICE that the Debtors hereby file a revised proposed *Order (I) Approving the Debtors’ Retention Programs and (II) Granting Related Relief* attached hereto as **Exhibit A** (the “Revised Proposed Order”), incorporating the settlement language agreed between the Debtors and the Committee.

PLEASE TAKE FURTHER NOTICE THAT a comparison between the Revised Proposed Order and the order filed with the Motion is attached hereto as **Exhibit B**.

PLEASE TAKE FURTHER NOTICE that copies of the Motion and other pleadings filed in the above-captioned chapter 11 cases may be obtained free of charge by visiting the website of Kroll at <https://restructuring.ra.kroll.com/blockfi/>. You may also obtain copies of the Motion and other pleadings filed in these chapter 11 cases by visiting the Court's website at <https://www.njb.uscourts.gov/> in accordance with the procedures and fees set forth therein.

[Remainder of page intentionally left blank.]

Dated: January 26, 2023

/s/ Michael D. Sirota

COLE SCHOTZ P.C.

Michael D. Sirota, Esq. (NJ Bar No. 014321986)
Warren A. Usatine, Esq. (NJ Bar No. 025881995)
Court Plaza North, 25 Main Street
Hackensack, New Jersey 07601
(201) 489-3000
msirota@coleschotz.com
wusatine@coleschotz.com

KIRKLAND & ELLIS LLP

KIRKLAND & ELLIS INTERNATIONAL LLP

Joshua A. Sussberg, P.C. (admitted *pro hac vice*)
Christine A. Okike, P.C. (admitted *pro hac vice*)
601 Lexington Avenue
New York, New York 10022
(212) 446-4800
jsussberg@kirkland.com
christine.okike@kirkland.com

HAYNES AND BOONE, LLP

Richard S. Kanowitz, Esq. (NJ Bar No. 047911992)
Kenric D. Kattner, Esq. (admitted *pro hac vice*)
30 Rockefeller Plaza, 26th Floor
New York, New York 10112
(212) 659-7300
richard.kanowitz@haynesboone.com
kenric.kattner@haynesboone.com

*Proposed Attorneys for Debtors and
Debtors in Possession*

Exhibit A

Revised Proposed Order

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY**

Caption in Compliance with D.N.J. LBR 9004-1(b)

COLE SCHOTZ P.C.

Michael D. Sirota, Esq. (NJ Bar No. 014321986)
Warren A. Usatine, Esq. (NJ Bar No. 025881995)
Court Plaza North, 25 Main Street
Hackensack, New Jersey 07601
(201) 489-3000
msirota@coleschotz.com
wusatine@coleschotz.com

KIRKLAND & ELLIS LLP

KIRKLAND & ELLIS INTERNATIONAL LLP

Joshua A. Sussberg, P.C. (admitted *pro hac vice*)
Christine A. Okike, P.C. (admitted *pro hac vice*)
601 Lexington Avenue
New York, New York 10022
(212) 446-4800
jsussberg@kirkland.com
christine.okike@kirkland.com

HAYNES AND BOONE, LLP

Richard S. Kanowitz, Esq. (NJ Bar No. 047911992)
Kenric D. Kattner, Esq. (admitted *pro hac vice*)
30 Rockefeller Plaza, 26th Floor
New York, New York 10112
(212) 659-7300
richard.kanowitz@haynesboone.com
kenric.kattner@haynesboone.com

Proposed Attorneys for Debtors and Debtors in Possession

In re:

BLOCKFI INC., *et al.*,

Debtors.¹

Chapter 11

Case No. 22-19361 (MBK)

(Jointly Administered)

Hearing Date and Time: January 27, 2023, at
10:00 a.m. (Prevailing Eastern Time)

**ORDER (I) APPROVING THE DEBTORS'
RETENTION PROGRAMS AND (II) GRANTING RELATED RELIEF**

¹ The Debtors in these Chapter 11 Cases, along with the last four digits of each Debtor's federal tax identification number, are: BlockFi Inc. (0015); BlockFi Trading LLC (2487); BlockFi Lending LLC (5017); BlockFi Wallet LLC (3231); BlockFi Ventures LLC (9937); BlockFi International Ltd. (N/A); BlockFi Investment Products LLC (2422); BlockFi Services, Inc. (5965); and BlockFi Lending II LLC (0154). The location of the Debtors' service address is 201 Montgomery Street, Suite 263, Jersey City, NJ 07302.

The relief set forth on the following pages, numbered three (3) through five (5), is
ORDERED.

(Page | 3)

Debtors: BLOCKFI INC., *et al.*

Case No. 22-19361 (MBK)

Caption of Order: Order (I) Approving the Debtors' Retention Programs and (II) Granting Related Relief

Upon the *Debtors' Motion For Entry Of An Order (I) Approving The Debtors' Retention Programs And (II) Granting Related Relief*, (the "Motion"),² of the above-captioned debtors and debtors in possession (collectively, the "Debtors"), for entry of an order (this "Order") (a) authorizing the Debtors to approve their key employee retention programs and (b) granting related relief; all as more fully set forth in the Motion; and upon the First Day Declaration; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334 and the *Standing Order of Reference to the Bankruptcy Court Under Title 11* of the United States District Court for the District of New Jersey, entered July 23, 1984, and amended on September 18, 2012 (Simandle, C.J.); and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the Debtors' notice of the Motion was appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor **IT IS HEREBY ORDERED THAT:**

1. The Motion is **GRANTED** on as set forth herein.
2. Pursuant to sections 503(c) and 363(b)(1) of the Bankruptcy Code, the Retention Programs are hereby approved.

² Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.

(Page | 4)

Debtors: BLOCKFI INC., *et al.*

Case No. 22-19361 (MBK)

Caption of Order: Order (I) Approving the Debtors' Retention Programs and (II) Granting Related Relief

3. The Debtors are authorized, but not directed, to implement the Retention Programs, as amended by their settlement with the Official Committee of Unsecured Creditors as set forth herein, for a total program cost of up to \$9.98 million. Timing of payments to be made as follows: (a) Tier 1: (i) 33% payable upon approval subject to clawback until the 3-month anniversary of court approval, (ii) 33% payable at earlier of confirmation or sale approval and 6 month anniversary of court approval; and (iii) final 33% payable at the earlier of 30 days after emergence and 12 month anniversary of court approval date; and (b) Tier 2: no change from the Motion. Tier 1 bonuses shall be 42.5% of base salary amounts, and Tier 2 bonuses shall be 9% of base salary amounts.

4. The Debtors may add a replacement participant(s) to the Retention Programs with the consent of the Committee upon the resignation or the termination for cause of any Participant.

5. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Motion.

6. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Order are immediately effective and enforceable upon its entry.

7. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rule 6004(a) and the Local Rules are satisfied by such notice.

8. The requirement set forth in Local Rule 9013-1(a)(3) that any motion be accompanied by a memorandum of law is hereby deemed satisfied by the contents of the Motion or otherwise waived.

(Page | 5)

Debtors: BLOCKFI INC., *et al.*

Case No. 22-19361 (MBK)

Caption of Order: Order (I) Approving the Debtors' Retention Programs and (II) Granting Related Relief

9. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

Exhibit B

Redline

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY**

Caption in Compliance with D.N.J. LBR 9004-1(b)

COLE SCHOTZ P.C.

Michael D. Sirota, Esq. (NJ Bar No. 014321986)
Warren A. Usatine, Esq. (NJ Bar No. 025881995)
Court Plaza North, 25 Main Street
Hackensack, New Jersey 07601
(201) 489-3000
msirota@coleschotz.com
wusatine@coleschotz.com

KIRKLAND & ELLIS LLP

KIRKLAND & ELLIS INTERNATIONAL LLP

Joshua A. Sussberg, P.C. ([admitted](#) *pro hac vice* ~~pending~~)
Christine A. Okike, P.C. ([admitted](#) *pro hac vice* ~~pending~~)
601 Lexington Avenue
New York, New York 10022
(212) 446-4800
jsussberg@kirkland.com
christine.okike@kirkland.com

HAYNES AND BOONE, LLP

Richard S. Kanowitz, Esq. (NJ Bar No. 047911992)
Kenric D. Kattner, Esq. ([admitted](#) *pro hac vice* ~~pending~~)
30 Rockefeller Plaza, 26th Floor
New York, New York 10112
(212) 659-7300
richard.kanowitz@haynesboone.com
kenric.kattner@haynesboone.com

Proposed Attorneys for Debtors and Debtors in Possession

In re:

BLOCKFI INC., *et al.*,

Debtors.¹

Chapter 11

Case No. ~~22-~~[22-19361](#) (~~—~~[MBK](#))

(Jointly Administered ~~Requested~~)

Hearing Date and Time: January 27, 2023, at
10:00 a.m. (Prevailing Eastern Time)

**ORDER (I) APPROVING THE DEBTORS'
RETENTION PROGRAMS AND (II) GRANTING RELATED RELIEF**

¹ The Debtors in these [e](#)Chapter 11 [e](#)Cases, along with the last four digits of each Debtor's federal tax identification number, are: BlockFi Inc. (0015); BlockFi Trading LLC (2487); BlockFi Lending LLC (5017); BlockFi Wallet LLC (3231); BlockFi Ventures LLC (9937); BlockFi International Ltd. (N/A); BlockFi Investment Products LLC (2422); BlockFi Services, Inc. (5965); and BlockFi Lending II LLC (0154). The location of the Debtors' service address is 201 Montgomery Street, Suite 263, Jersey City, NJ 07302.

| The relief set forth on the following pages, numbered three (3) through ~~four~~five (~~4~~5), is
ORDERED.

(Page | 3)

Debtors: BLOCKFI INC., *et al.*

Case No. ~~22-22-19361~~ (MBK)

Caption of Order: Order (I) Approving the Debtors' Retention Programs and (II) Granting Related Relief

Upon the *Debtors' Motion For Entry Of An Order (I) Approving The Debtors' Retention Programs And (II) Granting Related Relief*, (the "Motion"),² of the above-captioned debtors and debtors in possession (collectively, the "Debtors"), for entry of an order (this "Order") (a) authorizing the Debtors to approve their key employee retention programs and (b) granting related relief; all as more fully set forth in the Motion; and upon the First Day Declaration; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334 and the *Standing Order of Reference to the Bankruptcy Court Under Title 11* of the United States District Court for the District of New Jersey, entered July 23, 1984, and amended on September 18, 2012 (Simandle, C.J.); and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the ~~relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and this Court having found that the~~ Debtors' notice of the Motion was appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court (the "Hearing"); and this Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor **IT IS HEREBY ORDERED THAT:**

1. The Motion is **GRANTED** on as set forth herein.

² Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.

(Page | 4)

Debtors: BLOCKFI INC., *et al.*

Case No. ~~22-~~22-19361 (MBK)

Caption of Order: Order (I) Approving the Debtors' Retention Programs and (II) Granting Related Relief

2. Pursuant to sections 503(c) and 363(b)(1) of the Bankruptcy Code, the Retention Programs are hereby approved.

3. The Debtors are authorized, but not directed, to implement the Retention Programs ~~and make the payments contemplated thereunder at the times specified in the Motion,~~ as amended by their settlement with the Official Committee of Unsecured Creditors as set forth herein, for a total program cost of up to \$9.98 million. Timing of payments to be made as follows: (a) Tier 1: (i) 33% payable upon approval subject to clawback until the 3-month anniversary of court approval, (ii) 33% payable at earlier of confirmation or sale approval and 6 month anniversary of court approval; and (iii) final 33% payable at the earlier of 30 days after emergence and 12 month anniversary of court approval date; and (b) Tier 2: no change from the Motion. Tier 1 bonuses shall be 42.5% of base salary amounts, and Tier 2 bonuses shall be 9% of base salary amounts.

4. The Debtors may add a replacement participant(s) to the Retention Programs with the consent of the Committee upon the resignation or the termination for cause of any Participant.

5. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Motion.

6. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Order are immediately effective and enforceable upon its entry.

(Page | 5)

Debtors: BLOCKFI INC., *et al.*

Case No. ~~22-~~[22-19361 \(MBK\)](#)

Caption of Order: Order (I) Approving the Debtors' Retention Programs and (II) Granting Related Relief

7. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rule 6004(a) and the Local Rules are satisfied by such notice.

8. The requirement set forth in Local Rule 9013-1(a)(3) that any motion be accompanied by a memorandum of law is hereby deemed satisfied by the contents of the Motion or otherwise waived.

9. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.